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To: Microsoft ATR
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Subject: Microsoft Settlement

With all that has been said, I will be brief and to the point:

1) Microsoft has been a great partner to our firm, G. A. Sullivan, and has been instrumental in helping us grow dramatically during the last decade. Among the honors we have received, Greg Sullivan, our founder, was named the 1999 U.S. Small Business Administration National Small Business Person of the Year. The success we have enjoyed has often been due to our strong partnership with Microsoft.

2) Competition is alive and well in our industry. In the operating system marketplace, for example, IBM has thrown its considerable clout behind Linux and is aggressively advertising this fact. During the recent National Football League NFC Championship, they ran advertisements using basketball players as a metaphor for computer industry products and forces. For example, the "opposing team" included players named "Hacker?", "Virus?", and "Downtime?". "Linux?" was characterized as an incredibly talented player who would play for "almost nothing?" because "he loves the game?". It remains to be seen how effective this ad campaign will be, but IDC predicts that Linux's market share will increase to 41% by 2005.

3) While Microsoft does have some advantages in its daily business operations, advantages that we believe they have earned through hard work, it also still faces formidable obstacles and some important disadvantages. For example, as Microsoft attempts to sell its operating systems and platforms to corporate America, in the largest corporations (sometimes called the Enterprise marketplace) they are often viewed with condescension as a "desktop?" vendor selling personal productivity tools, computer mice, and games. They continue to build a channel of partners to help provide the necessary services to install, configure, and support their offerings in large corporations, but face stiff competition from IBM Global Services, often an entrenched competitor of huge proportions. Other large service organizations are also most often working against, rather than for, Microsoft.

4) In many key areas of new research and growth (e.g. Personal Digital Assistants (PDAs), instant messaging, and highly scalable clustering for scientific purposes), Microsoft is a distant second or third place competitor to other firms and technologies (e.g. Palm, AOL, and Beowulf). To summarize our opinion?in almost every case Microsoft has been a tough but fair competitor in the marketplace. In the areas their practices were found anti-competitive, the remedies that have already been recommended are sufficient.

Microsoft has been a great partner to our firm, and we do our best every day to help ensure their success. Contrary to what many of Microsoft's competitors state, we find the marketplace to be a VERY competitive place, and hope that a more comprehensive "remedy?" is not enacted.

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